

April 22, 2002

COMMITTEE ACTION REPORT

On Thursday, April 11 and Tuesday, April 16, 2002, the Committee on Financial Services met in open session and considered the following measures:

H.R. 2941, BROWNFIELDS REDEVELOPMENT ENHANCEMENT ACT, was ordered reported to the House with a favorable recommendation, with an amendment, by a voice vote.

The following amendments were considered:

An amendment by Mr. Oxley, no. 1, naming brownfields redevelopment as an eligible CDBG Activity, was AGREED TO by a voice vote.

An amendment by Mr. LaFalce, no. 2, allowing CDBG funds to administer renewal communities, was AGREED TO by a voice vote.

H.R. 3764, SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION ACT OF 2002, was ordered reported to the House with a favorable recommendation, with an amendment, by a voice vote.

The following amendments were considered:

An amendment by Mr. Oxley, no. 1, adding funding for pay parity, was AGREED TO by a voice vote.

An amendment by Mr. Sherman, no. 2, calling for the Securities and Exchange Commission (SEC) to conduct a thorough review of the largest companies within one year of the enactment of this Act, was NOT AGREED TO by a record vote of 25 yeas and 26 nays (Record vote no. 24).

An amendment by Mr. Sherman, no. 3, expressing the Sense of Congress that the SEC should conduct a thorough annual review of the annual financial statements contained in the most recent periodic disclosures filed with the SEC by the largest 500 companies, was AGREED TO by a voice vote.

H.R. 3763, Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, was ordered reported to the House with a favorable recommendation, with an amendment, by a record vote of 49 yeas and 12 nays (Record vote no. 37).

The following amendments were considered:

An amendment in the nature of a substitute by Mr. Oxley, no. 1, making various technical and substantive changes to the bill, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce (as modified by unanimous consent), no. 1a, establishing the Public Accounting Regulatory Board, was NOT AGREED TO by a record vote of 26 yeas and 33 nays (Record vote no. 25).

An amendment to the amendment in the nature of a substitute by Mrs. Biggert, no. 1b, disgorgement of bonuses and other incentives, as amended, part 1 (page 1, line 1 through page 3, line 13) was AGREED TO by a voice vote and part 2 (page 3, line 14 through page 5, line 2), was AGREED TO by a record vote 36 yeas and 25 nays (Record vote no. 28).

An amendment by Mr. Lucas of Kentucky to the amendment by Mrs. Biggert, no. 1b(1), addressing the composition of the PRO, was AGREED TO by a voice vote.

An amendment by Mr. LaFalce to the amendment by Mrs. Biggert, no. 1b(2), addressing the disgorgement of bonuses and other incentives, was NOT AGREED TO by a record vote of 25 yeas and 30 nays (Record vote no. 26).

An amendment by Mr. Watt to the amendment by Mrs. Biggert, no. 1b(3), striking the scienter requirement, was NOT AGREED TO by a voice vote.

An amendment by Mr. LaFalce to the amendment by Mrs. Biggert, no. 1b(4), allowing for the removal of unfit corporate officers or directors and prohibiting unfit persons from serving as an officer or director, was NOT AGREED TO by a record vote for 24 yeas and 25 nays (Record vote no. 27).

An amendment by Ms. Hooley of Oregon and Mr. Maloney of Connecticut to the amendment by Mrs. Biggert, no. 1b(5), requiring that any independent public or certified accountant who certifies a financial statement to maintain the audit work papers and other related information for a minimum of 7 years, was AGREED TO by a voice vote.

An amendment by Mr. Watt to the amendment by Mrs. Biggert, no. 1b(6), striking certain language from the amendment, was NOT AGREED TO by a voice vote.

An amendment by Mr. Capuano to the amendment by Mrs. Biggert, no. 1b(7), addressing the qualification time of public members of the PRO, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mrs. Maloney of New York, no. 1c, making changes in the code of ethics, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1d, striking a requirement to consult with State regulators, [an amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1e](#), addressing the filing of disclosures in other formats, [an amendment to the amendment in the nature of a substitute by Mr. Bentsen, no. 1f](#), addressing transactions involving real time disclosure, [an amendment to the amendment in the nature of a substitute by Mr. Bentsen, no. 1g](#), calling for improved transparency of loans to officers and directors, [an amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1h](#), providing that disgorgement funds be distributed to pension fund victims, [an amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1i](#), addressing enhanced oversight of periodic disclosures by issuers, and [an amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1j](#), addressing disclosure of insider and director relationships, were AGREED TO en bloc by unanimous consent.

[An amendment to the amendment in the nature of a substitute by Mr. Sherman, no. 1k](#), providing for auditor capital requirements, was NOT AGREED TO by a record vote of 9 yeas and 49 nays (Record vote no. 29).

[An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1l](#), requiring that the CEO or CFO must certify financial statements, was NOT AGREED TO by a record vote of 29 yeas and 30 nays (Record vote no. 30).

[An amendment to the amendment in the nature of a substitute by Mr. LaFalce \(as modified by unanimous consent\), no. 1m](#), addressing analysts conflicts of interest, was NOT AGREED TO by a record vote of 25 yeas and 37 nays (Record vote no. 31).

[An amendment to the amendment in the nature of a substitute by Mr. Sherman, no. 1n](#), addressing attestation authority, was NOT AGREED TO by a record vote of 16 yeas and 46 nays (Record vote no. 32).

[An amendment to the amendment in the nature of a substitute, by Mr. Gonzalez, \(as modified by unanimous consent\), no. 1o](#), requiring a GAO study of certain standards of professional conduct for attorneys and their protection of investors, was AGREED TO by a voice vote.

[An amendment by Mr. Watt to the amendment by Mr. Gonzales, no. 1o\(1\)](#), requiring the report to identify pertinent regulatory or legislative steps, was AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1p](#), addressing real time disclosure of financial information, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1q, requiring recommendations for regulatory and statutory changes to studies, and an amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1r, addressing regulations for penalties for manipulation of auditors, were offered en bloc and were AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Watt, (as modified by unanimous consent), no. 1s, minimizing burdensome rules on issuers for disclosures required under the bill, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mrs. Maloney, no. 1t, restoring oversight of energy derivatives to the Commodity Futures Trading Commission, was WITHDRAWN.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1u, addressing auditor independence, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1v, requiring audit committee approval of nonaudit services, was NOT AGREED TO by a record vote of 19 yeas and 31 nays (Record vote no. 33).

An amendment to the amendment in the nature of a substitute by Mr. Sherman, no. 1w, addressing the scope of non-audit practice, was WITHDRAWN.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce (as modified by unanimous consent), no. 1x, addressing auditor/issuer employment restrictions (cooling-off period), was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1y, addressing the role of audit committee, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Bentsen and Mr. Watt (as modified by unanimous consent), no. 1z, providing authority to bar additional nonaudit services, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Kanjorski (as modified by unanimous consent), no. 1aa, lengthening the statute of limitations for certain private rights of action, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1bb, addressing the removal of unfit corporate officers, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, 1cc, prohibiting independent directors from serving as consultants, was NOT AGREED TO by a record vote of 20 yeas and 38 nays (Record vote no. 34).

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1dd, providing for shareholder approval executive stock option plans, was NOT AGREED TO by a record vote of 22 yeas and 34 nays (Record vote no. 35).

An amendment to the amendment in the nature of a substitute by Mr. LaFalce (as modified by unanimous consent), no. 1ee, requesting a GAO study of investment banks, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. LaFalce, no. 1ff, requiring the mandatory rotation of auditors every 8 years, was WITHDRAWN.

An amendment to the amendment in the nature of a substitute by Mr. Kanjorski, no. 1gg, restoring aiding and abetting liability, was WITHDRAWN.

An amendment to the amendment in the nature of a substitute by Mr. Ackerman, no. 1hh, auditor independence, was NOT AGREED TO by a record vote of 18 yeas and 40 nays (record vote no. 36).

An amendment to the amendment in the nature of a substitute by Mr. Capuano and Mr. Lucas of Kentucky, no. 1ii, clarifying PRO activity, was AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mr. Inslee, no. 1jj, addressing energy pricing disclosure, was WITHDRAWN.

Substitute amendment to the amendment in the nature of a substitute offered by Mr. LaFalce, no. 1kk, was NOT AGREED TO by a voice vote.

The Committee adjourned subject to the call of the Chair.